

Affordable Assisted Living Coalition
Comments on 1115 Waiver Application

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My name is Wayne Smallwood. I am Executive Director of The Affordable Assisted Living Coalition (AALC). AALC is a not-for-profit 501(c)(6) trade association that represents Supportive Living Facilities (SLFs). SLFs are one of the nine HCBS waiver programs in Illinois. AALC appreciates the opportunity to make comments on the application for an 1115 Waiver for Illinois Medicaid.

SLFs have been in existence since 1999. There are currently 143 operating SLFs with 11,500+ apartments in 73 counties. SLFs are different from the other waivers in that they offer private apartment-style housing complemented with a range of person-centered/directed healthcare and hospitality services to frail seniors and the physically disabled aged 22-64. There is high satisfaction of the model by SLF residents as demonstrated by ongoing resident satisfaction surveys monitored by the Illinois Department of Healthcare and Family Services. SLFs also receive high praise from comments made by residents and family members who believe SLFs have improved the quality of life of those fortunate enough to experience the lifestyle.

AALC supports the goals of the waiver. AALC believes SLFs can be particularly effective under the goals in the following examples:

“Support linkages between health care delivery systems and services that directly impact key social determinants of health, including housing and early intervention home visitation services.”

SLFs have shown stable housing that includes health education and monitoring, including early intervention, can serve to prevent or lessen health deterioration.

SLFs can also help with the waiver goal:

“Create incentives to drive development of integrated delivery systems that are built around patient-centered health homes; have a network of providers including primary care, specialists, hospitals, long-term, and behavioral health, as dictated by the populations they serve; and can incentivize a system of care that creates value and ensures that savings are shared with individual health care.”

SLFs are already working as person-centered/person-directed health homes and will be an effective partner in an integrated delivery system with the services needed to achieve quality metrics and prevent unnecessary institutionalization.

Another waiver goal, *“Promote efficient health care delivery through optimization of existing managed care models, including traditional risk-based managed care, ACEs and CCEs.”*

SLFs are actively engaged with HFS and the MCOs managing the Integrated Care Program and the Medicare Medicaid Alignment Initiative. Again SLFs are proving to be excellent partners in helping to achieve the health outcomes that will be needed to make managed care successful in Illinois.

SLF can also be useful under the waiver goal:

“Consolidate Illinois’ nine existing 1915(c) waivers under a single 1115 waiver to rationalize service arrays and choices so that beneficiaries will remain as independent as possible and based on needs defined by a functional/medical needs tool, rather than based on disability or condition. Illinois hypothesizes that providing services at this point in the client’s arc of need may result in prolonging the client’s independence in the community, and reducing need for more intense level of services.”

SLFs stand ready to help under the new 1115 waiver concept as the only waiver to offer stable housing and services that will help Illinois prove that “stable and affordable housing may help individuals living with chronic diseases and behavioral health conditions maintain their treatment regimens and achieve better health outcomes at a lower cost” as stated on pages 40-41 of the application. SLFs are already showing this effectiveness for frail seniors and persons with disabilities that have chronic diseases and behavioral health conditions.

Another waiver goal: *“Increase flexibility and choice of long-term supports for adults and children and support development and expansion of choice within tiered levels of community based options based on need.”*

SLFs are anxious to offer their community-based option under the new waiver concept. It is important that the Federal CMS announced on January 10, 2014 that it has published the final rule on Medicaid HCBS settings (see <http://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-Releases/2014-Press-releases-items/2014-01-10-2.html>). CMS said in its announcement of the final rule that it is “moving away from defining home and community-based settings by ‘what they are not’ and toward defining them by the nature and quality of individuals’ experiences.”

The final rule requires that all home and community-based settings meet certain qualifications including:

- The setting is integrated in and supports full access to the greater community;
- It is selected by the individual from among the setting options;
- It ensures individual rights of privacy, dignity and respect; and freedom from coercion and restraint;
- Optimizes autonomy and independence in making life choices; and
- Facilitates choice regarding services and service providers.

The SLF Program complies with all of the necessary qualifications in the final CMS rule and represents a quality lifestyle where a person can achieve optimal health.

The application refers to four “pathways” for transformation. One of the four is rebuilding and expanding the home and community-based infrastructure with a focus on individual needs and preferences rather than disability. AALC applauds this concept and believes SLFs can contribute by expanding its current service population to include those with complex health and behavioral health needs. SLFs have shown an ability to master development of its sites using a variety of layered financing options such as low incomes housing tax credits, HOME funds, HUD guaranteed loan programs and historic preservation tax credits to name a few. SLFs could help offer housing with services to persons with serious mental illness and to others with more complex health needs. Some concern has been

expressed by SLFs that consolidating the existing HCBS waivers under the 1115 waiver may lead to a loss of Medicaid capacity and in program identity for SLFs. This has been seen in other states that incorporate the housing with services option with other waiver alternatives under one umbrella waiver program.

Another one of the pathways to transformation is developing and using an integrated delivery system centered on patient-centered health homes. AALC supports this concept and believes SLFs could be integral as a partner in helping to achieve the goals in such a system. SLFs already have demonstrated the ability to help the State reduce costs in long term care. SLF tenants have a growing average length of residency of over two years and have proven to reduce hospital and nursing home admissions and readmissions. SLFs welcome the chance to participate in outcome-based reimbursement. Many SLFs have signed contracts and are participating in the Integrated Care Program. Many SLFs have also signed contracts and are eager to participate in the Medicare-Medicaid Alignment Initiative and other care coordination innovations being offered by Illinois. AALC also offers that SLFs may be able to help the State by working to develop and participating in a new “provider tax” for SLFs that could enhance Medicaid revenue. While such an approach is not available under 1915(c) HCBS waivers, the flexibility allowed by an 1115 waiver could make this worth exploring.

A third pathway to transformation calls for a new focus on “population health.” AALC heartily supports this concept with SLFs embodying much of what is conceived through prevention, primary care and wellness. In fact, SLFs promote prevention and wellness by providing health education through and participation in evidenced-based programs such as Fit & Strong, Chronic Disease Self-Management Program, Diabetes Self-Management Program and a Matter of Balance. Regular physical and mental exercises are promoted and conducted by SLFs to enhance wellness and good health.

The fourth pathway to transformation is workforce. Again, AALC supports this concept to build a modern healthcare workforce. While much of the concept seems to be aimed at increasing the number of qualified PCP and PCP physician extenders, AALC also recommends that attention be given to the national professional nursing shortage and what can be done to incentivize more nurses.

Summary

AALC supports the overall concept of the health care transformation as put forth in the application and SLFs stand ready to help with the process. AALC believes that stable housing with services can contribute to improved health outcomes and is the only waiver option that offers housing with services option. It is stated well in the HMA research paper “Health and Wellness Outcomes Measurement” (May 2013) (authored by Michael Nardone, Matt Roan and Linda Trowbridge): “The impact of stable, affordable housing goes beyond providing a place to live. Affordable Housing providers are focused on providing their residents with supports that impact a wide range of quality of life factors including employment and financial stability, education and youth development, community engagement, and health and wellness.” (Page 4).